

Amendment No. 2 to HB2105

Sargent
Signature of Sponsor

AMEND Senate Bill No. 2109

House Bill No. 2105*

by inserting the following new section immediately preceding the penultimate section and renumbering the subsequent sections accordingly:

SECTION 4. Tennessee Code Annotated, Title 67, Chapter 4, is amended by adding the following language as a new part:

67-4-3201. This part shall be known and may be cited as the "Fantasy Sports Tax Act".

67-4-3202. For purposes of this part:

(1) "Adjusted revenues" means, for each fantasy sports contest, the amount equal to the total entry fees collected from all participants entering the fantasy sports contest less winnings paid to participants in the contest, multiplied by the resident percentage;

(2) "Commissioner" means the commissioner of revenue;

(3) "Entry fees" has the same meaning as defined in § 47-18-5602;

(4) "Fantasy sports contest" has the same meaning as defined in § 47-18-5602;

(5) "Fantasy sports operator" has the same meaning as defined in § 47-18-5602;

(6) "Player" has the same meaning as defined in § 47-18-5602;

(7) "Resident percentage" means, for each fantasy sports contest, the percentage, rounded to the nearest tenth of a percent (0.1%), of the total entry fees collected from Tennessee consumers divided by the total entry fees collected from all players, regardless of the players' location, of the fantasy sports contest; and

(8) "Tennessee consumer" has the same meaning as defined in § 47-18-5602.

67-4-3203.

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(a) It is a privilege taxable by this state to offer or provide to Tennessee consumers fantasy sports contests.

(b) A tax is imposed at the rate of six percent (6%) on all adjusted revenues of a fantasy sports contest offered by a fantasy sports operator to Tennessee consumers and is in addition to any other taxes levied pursuant to this title.

(c) The tax imposed by this part shall be collected and administered by the commissioner.

67-4-3204. The tax levied under this part shall be due and payable quarterly. For the purpose of ascertaining the amount of tax payable under this part, it shall be the duty of each fantasy sports operator, on or before the twentieth day immediately following the end of each calendar quarter, to transmit to the commissioner, upon forms prescribed by the commissioner, returns, showing all receipts derived from offering or providing consumers with any of the privileges taxable under this part during the preceding calendar quarter and other necessary information, as determined by the commissioner, to determine the adjusted revenues of a fantasy sports contest offered by a fantasy sports operator.

67-4-3205. Of the taxes, including all penalties and interest, received by the commissioner under this part, the distribution shall be as follows:

(1)

(A) From July 1, 2016, to June 30, 2017, sixty percent (60%) shall be allocated to the general fund; and

(B) Beginning July 1, 2017, and thereafter, sixty eight percent (68%) shall be allocated to the general fund;

(2) Twenty percent (20%) shall be allocated among the counties of the state in the proportion that the population of each bears to the aggregate population of the state according to the most recent federal census and other censuses authorized by law;

(3) Ten percent (10%) shall be allocated to the fantasy sports fund established by § 47-18-5607; and

(4)

(A) From July 1, 2016, to June 30, 2017, ten percent (10%) shall be allocated to the department of revenue for administration of this part; and

(B) Beginning July 1, 2017, and thereafter, two percent (2%) shall be allocated to the department of revenue for administration of this part.

AND FURTHER AMEND by deleting § 47-18-5607 in Section 1 and substituting instead the following:

47-18-5607.

(a) There is created a fund to be known as the "fantasy sports fund". All fees and penalties collected pursuant to this part and ten percent (10%) of the tax levied pursuant to the Fantasy Sports Act, compiled in title 67, chapter 4, part 32, shall be deposited in the fantasy sports fund. Money in the fund shall be invested by the state treasurer in accordance with § 9-4-603. The fund shall be administered by the secretary of state.

(b) All costs of the secretary of state associated with the administration of this part shall be paid from the fund.

(c) If there is remaining any amount in the fantasy sports fund at the end of any fiscal year, ten percent (10%) of the remaining amount shall not revert to the general fund but shall remain available for the purposes set forth in subsection (b). Interest accruing on investments and deposits of the fund shall be credited to such account, shall not revert to the general fund, and shall be carried forward into each subsequent fiscal year.